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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 1, 2002

APPLICATION OF

KINDER MORGAN VIRGINIA, LLC

CASE NO. PUE-2001-00423

For approval of a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2, an exemption from Chapter 10 of Title 56, and interim approval to make financial commitments and undertake preliminary construction work

DISMISSAL ORDER

On July 26, 2001, Kinder Morgan Virginia LLC ("Kinder Morgan Virginia" or the "Company") filed an application with supporting testimony and exhibits requesting that the State Corporation Commission ("Commission") grant the Company a certificate of public convenience and necessity pursuant to § 56-265.2 of the Code of Virginia ("Code") to construct an approximately 560 megawatt natural gas-fired combined-cycle power plant in Brunswick County, Virginia. Pursuant to § 56-265.2 B of the Code, Kinder Morgan Virginia sought an exemption from the provisions of Chapter 10 of Title 56 of the Code. In addition, the Company sought interim approval to make financial expenditures and to undertake preliminary construction work pursuant to § 56-234.3 of the Code.

The Commission entered an order in this matter on August 14, 2001, requiring Kinder Morgan Virginia to provide public notice of its application, assigning a Hearing Examiner to conduct further proceedings, and establishing a procedural schedule.

The Department of Environmental Quality ("DEQ") coordinated an environmental review of the application by DEQ and other interested state agencies and Brunswick County, Virginia. DEQ prepared a report on the potential impacts to natural resources from construction and operation of the proposed power plant and associated facilities, as well as recommendations for minimizing those impacts ("DEQ Report"), which was filed on October 3, 2001.

On October 19, 2001, the Company filed supplemental testimony pertaining to its application. On October 26, 2001, the Commission Staff ("Staff") filed direct testimony regarding its analysis of the application with a copy of the DEQ Report attached. Kinder Morgan Virginia filed rebuttal testimony on October 31, 2001. An evidentiary hearing was held on November 7, 2001, before Hearing Examiner Howard P. Anderson, Jr.

The Hearing Examiner entered a Report and a Report on Remand on February 26, 2002, and August 13, 2002, respectively.

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¹ This case was remanded for further proceedings on April 22, 2002.

These reports summarized the record, analyzed the evidence and issues in this proceeding, and made recommendations, including that the application should be granted with certain conditions.

On October 29, 2002, Kinder Morgan Virginia filed a Motion to Withdraw Application ("Motion"). The Motion states that Kinder Morgan Virginia has decided that the Company will not go forward with the construction of the proposed facility. The Motion requests that no further consideration be given to the Company's application and that Kinder Morgan Virginia be permitted to withdraw it.

NOW THE COMMISSION, having considered the Motion is of the opinion and finds that Kinder Morgan Virginia should be allowed to withdraw its application for the proposed facility. We will grant the Motion and dismiss this matter without prejudice.

Accordingly, IT IS ORDERED THAT:

- (1) The Motion to Withdraw Application is hereby granted.
- (2) This matter is hereby dismissed without prejudice from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.